

CURRENT TAX CERTIFICATION

() REQUIRED (☒) NOT REQUIRED
 CERTIFICATE OF REAL ESTATE VALUE

() FILED 7/28/06 () NOT ENTERED

NO DELINQUENT TAXES-TRANSFER ENTERED

DATE August 15, 2006

BY Deborah L. Brainerd

CROW WING COUNTY AUDITOR

TRANSFER # 300407194, 1195

RE CODE 750042300400009

750042300000009

Office of County Recorder
 County of Crow Wing, MN }

I hereby certify that the within instrument was filed
 in this office for record on the 15 day of Aug
 A.D. 2006 at 10 o'clock a. M.

and was duly recorded as Doc. No. 07714638

By Deborah L. Brainerd County Recorder

Deborah L. Brainerd

RETURN TO City of Brainerd

City of Brainerd

9/100cs 54-M--Contract For Deed

Individual Seller

(Top 3 inches Reserved for Recording Data)

Miller/Davis Co. ® St. Paul, MN 651-642-1988
 Minnesota Uniform Conveyancing Blanks (2000)

Date: 7 August 2006

THIS CONTRACT FOR DEED ("the Contract") is made on the above date by Harold A. Thiesse and Alvina M. Thiesse, his wife

Seller (whether one or more), and City of Brainerd, a municipal corporation.

Purchaser (whether one or more) (check box ☐ if joint tenancy).
 Seller and Purchaser agree to the following terms:

1. PROPERTY DESCRIPTION. Seller hereby sells, and Purchaser hereby buys, real property in
Crow Wing County, Minnesota, described as follows:

South half of Northwest quarter (S1/2 NW 1/4) of Section Six (6), Township Forty-four (44), Range Thirty (30) less
 that part thereof described on Schedule A attached to and made a part hereof,

together with all hereditaments and appurtenances belonging thereto ("the Property"). Unless otherwise specified,
 Seller hereby delivers possession of the Property to Purchaser on the date hereof.

Seller check applicable box:

☒ The Seller certifies that the seller does not know of any wells on the described real property.
 A well disclosure certificate accompanies this document.
 I am familiar with the property described in this instrument and I certify that the status and number of wells on
 the described real property have not changed since the last previously filed well disclosure certificate.

2. TITLE. Seller warrants that title to the Property is, on the date of this Contract, subject only to the following
 exceptions:

- (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
- (b) Reservations of minerals or mineral rights by the State of Minnesota, if any;
- (c) Utility and drainage easements which do not interfere with present improvements;
- (d) Applicable laws, ordinances and regulations;
- (e) The lien of real estate taxes and installments of special assessments which are payable by Purchaser pursuant
 to paragraph 6 of this Contract; and
- (f) The following liens or encumbrances:

Existing public roads.

WELL CERTIFICATE
 RECEIVED () NOT REQUIRED ☒

3. DELIVERY OF DEED AND EVIDENCE OF TITLE. Upon Purchaser's full performance of this Contract,
 Seller shall:

- (a) Execute, acknowledge and deliver to Purchaser a Warranty
 Deed, in recordable form, conveying marketable title to the Property to Purchaser, subject only to the
 following exceptions:
 - (i) Those exceptions referred to in paragraph 2(a), (b), (c), (d) and (e) of this Contract;
 - (ii) Liens, encumbrances, adverse claims or other matters which Purchaser has created, suffered or permitted
 to accrue after the date of this Contract; and
 - (iii) The following liens or encumbrances:

None.

(b) Deliver to Purchaser the abstract of title to the Property, without further extension, to the extent required by
 the purchase agreement (if any) between Seller and Purchaser.

4. PURCHASE PRICE. Purchaser shall pay to Seller, at their order,

the sum of Six Hundred Ninety-six Thousand and no/100 ----- DOLLARS
(\$696,000.00), as and for the purchase price (the "Purchase Price") for the Property, payable as follows:
\$139,200 at the time of the making of this contract, the receipt and sufficiency of which is hereby acknowledged,
and the balance of \$556,800 payable in five equal annual installments of \$128,606.77 each payable on the 7th day
of August of each year, beginning with \$128,606.77 on 7 August 2007, with interest on the unpaid balances of the
purchase price remaining from time to time at 5% a year, said annual installments to apply first to interest and the
balance to the purchase price.

5. PREPAYMENT. Unless otherwise provided in this Contract, Purchaser shall have the right to fully or partially prepay this Contract at any time without penalty. Any partial prepayment shall be applied first to payment of amounts then due under this Contract, including unpaid accrued interest, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Partial prepayment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments.

6. REAL ESTATE TAXES AND ASSESSMENTS. Real estate taxes and installments of special assessments which are due and payable in the year in which this Contract is dated shall be paid as follows: The real estate taxes payable in 2006 shall be pro rated as of the date of closing.

Purchaser shall pay, before penalty accrues, all real estate taxes and installments of special assessments assessed against the Property which are due and payable in all subsequent years. Seller warrants that the real estate taxes and installments of special assessments which were due and payable in the year preceding the year in which this Contract is dated are paid in full. If the Property is subject to a recorded declaration providing the assessments to be levied against the Property by any owners' association, Purchaser shall promptly pay, when due, all assessments imposed by the owners' association or other governing body as required by the provisions of the declaration or other related documents.

7. PROPERTY INSURANCE.

(a) INSURED RISKS AND AMOUNTS. Purchaser shall keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, lightning and such other perils as are included in a standard "all-risk" endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the buildings, improvements and fixtures, without deduction for physical depreciation. If any of the buildings, that area, Purchaser shall procure and maintain flood insurance in amounts reasonably satisfactory to Seller.

(b) OTHER TERMS. The insurance policy shall contain a loss payable clause in favor of Seller which provides that Seller's right to recover under the insurance shall not be impaired by any acts or omissions of Purchaser or Seller, and that Seller shall otherwise be afforded all rights and privileges customarily provided a mortgagee under the so-called standard mortgage clause.

(c) NOTICE OF DAMAGE. In the event of damage to the Property by fire or other casualty, Purchaser shall promptly give notice of such damage to Seller and the insurance company.

8. DAMAGE TO THE PROPERTY

(a) APPLICATION OF INSURANCE PROCEEDS. If the Property is damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid, unless Purchaser makes a permitted election described in the next paragraph. Such amounts shall be first applied to unpaid accrued interest and next to the installments to be paid as provided in this Contract in the inverse order of their maturity. Such payment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance of insurance proceeds, if any, shall be the property of Purchaser.

(b) PURCHASER'S ELECTION TO REBUILD. If Purchaser is not in default under this Contract, or after curing any such default, and if the mortgages in any prior mortgages and sellers in any prior contracts for deed do not require otherwise, Purchaser may elect to have that portion of such insurance proceeds necessary to repair, replace or restore the damaged Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as may be mutually agreeable to Seller and Purchaser. The election may only be made by written notice to Seller within sixty days after the damage occurs. Also, the election approval Seller shall not unreasonably withhold or delay. If such a permitted election is made by Purchaser, Seller and Purchaser shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are sufficient additional money to insure the full payment for the Repairs, deposit into such escrow or are insufficient to pay the cost of the Repairs, Purchaser shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed by the escrowee in accordance with generally accepted sound construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Purchaser into such escrow before the commencement of the Repairs. Purchaser shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be

completed by Purchaser within one year after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts payable by Purchaser under this Contract in accordance with paragraph 8 (a) above.

(c) OWNERS' ASSOCIATION. If the property is subject to a recorded declaration, so long as the owners' association maintains a master or blanket policy of insurance against fire, extended coverage perils and such other hazards and in such amount as are required by this Contract, then (i) Purchaser's obligation in this Contract to maintain hazard insurance coverage on the Property is satisfied; (ii) the provisions of paragraph 8(a) of this Contract regarding application of insurance proceeds shall be superseded by the provisions of the declaration or other related documents; and (iii) in the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured casualty loss to the Property, any such proceeds payable to Purchaser are hereby assigned and shall be paid to Seller for application to the sum secured by this Contract, with the excess, if any, paid to Purchaser.

9. INJURY OR DAMAGE OCCURRING ON THE PROPERTY.

(a) LIABILITY. Seller shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this Contract to any person or persons or property while on or about the Property. Purchaser shall defend and indemnify Seller from all liability, loss, cost and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Purchaser shall have no liability or obligation to Seller for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Seller.

(b) LIABILITY INSURANCE. Purchaser shall, at Purchaser's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Seller and naming Seller as an additional insured.

10. INSURANCE GENERALLY. The insurance which Purchaser is required to procure and maintain pursuant to paragraphs 7 and 9 of this Contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Seller. The insurance shall be maintained by Purchaser at all times while any amount remains unpaid under this Contract. The insurance policies shall provide for not less than ten days written notice to Seller before cancellation, non-renewal, termination or change in coverage, and Purchaser shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

11. CONDEMNATION. If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid. Such amounts shall be applied in the same manner as a prepayment, as provided in paragraph 5 of this Contract. Such payment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance, if any, shall be the property of Purchaser.

12. WASTE, REPAIR AND LIENS. Purchaser shall not remove or demolish any buildings, improvements or fixtures now or later located on or a part of the Property, nor shall Purchaser commit or allow waste of the Property. Purchaser shall maintain the Property in good condition and repair. Purchaser shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchaser shall pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any such liens or adverse claims.

13. COMPLIANCE WITH LAWS. Except for matters which Seller has created, suffered or permitted to exist prior to the date of this Contract, Purchaser shall comply or cause compliance with all laws and regulations of any governmental authority which affect the Property or the manner of using or operating the same, and with all restrictive covenants, if any, affecting title to the Property or the use thereof.

14. RECORDING OF CONTRACT, DEED TAX. Purchaser shall, at Purchaser's expense, record this Contract in the office of the county recorder or registrar of titles in the county in which the Property is located within four (4) months after the date hereof. Purchaser shall pay any penalty imposed under Minnesota Statutes Section 507.235 for failure to timely record the Contract. Seller shall, upon Purchaser's full performance of this Contract, pay the deed tax due upon the recording of the deed to be delivered by Seller.

15. NOTICE OF ASSIGNMENT. If either Seller or Purchaser assigns their interest in the Property, the assigning party shall promptly furnish a copy of such assignment to the non-assigning party.

16. PROTECTION OF INTERESTS. If Purchaser fails to pay any sum of money required under the terms of this Contract or fails to perform any of Purchaser's obligations as set forth in this Contract, Seller may, at Seller's option, pay the same or cause the same to be performed, or both, and the amounts so paid by Seller and the cost of such performance shall be payable at once, with interest at the rate stated in paragraph 4 of this Contract, as an additional amount due Seller under this Contract. If there now exists, or if Seller hereafter creates, suffers or permits to accrue, any mortgage, contract for deed, lien or encumbrance against the Property which is not herein expressly assumed by Purchaser, provided Purchaser is not in default under this Contract, Seller shall timely pay all amounts due thereon, and if Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts or take any actions reasonably necessary to cure defaults thereunder and deduct the amounts so paid together with interest at the rate provided in this Contract from the payments next coming due under this Contract.

17. DEFAULT AND REMEDIES. The time of performance by Purchaser of the terms of this Contract is an essential part of this Contract. If Purchaser fails to timely perform any term of this Contract, Seller may, at Seller's option, elect to declare this Contract cancelled and terminated by notice to Purchaser in accordance with applicable law or elect any other remedy available at law or in equity. If Seller elects to terminate this Contract, all right, title and interest acquired under this Contract by Purchaser shall then cease and terminate, and all improvements made upon the Property and all

payments made by Purchaser pursuant to this Contract (including escrow payments, if any) shall belong to Seller as liquidated damages for breach of this Contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this Contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this Contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within the period allowed by law, Purchaser shall, upon demand, surrender possession of the Property to Seller, but Purchaser shall be entitled to possession of the Property until the expiration of such period. Failure by Seller to exercise one or more remedies available under this paragraph 17 shall not constitute a waiver of the right to exercise such remedy or remedies thereafter.

18. **BINDING EFFECT.** The terms of this Contract shall run with the land and bind the parties hereto and their successors in interest.

19. **HEADINGS.** Headings of the paragraphs of this contract are for convenience only and do not define, limit or construe the contents of such paragraphs.

20. **ADDITIONAL TERMS:** Check here ☒ if an Addendum to Contract for Deed containing additional terms and conditions is attached hereto:

SELLER(S)

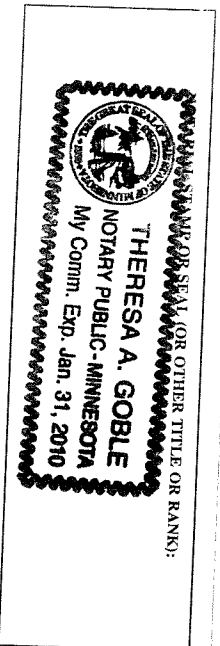
Harold A. Thiesse
Harold A. Thiesse
Alvina M. Thiesse
Alvina M. Thiesse

PURCHASER(S)

CITY OF BRAINERD
BY Daniel J. Vogt
Its JAMES A. WALLIN, MAYOR
and Daniel J. Vogt
Its DANIEL J. VOGT, CITY ADMINISTRATOR

STATE OF MINNESOTA
COUNTY OF Crow Wing }
ss.

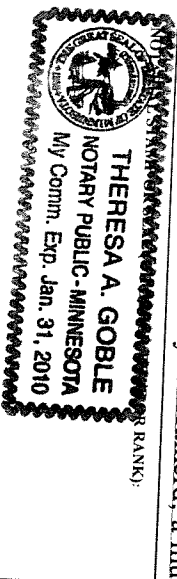
This instrument was acknowledged before me on the 11 day of August, 2006,
by Harold A. Thiesse and Alvina M. Thiesse, his wife
Date



Theresa A. Goble
SIGNATURE OF NOTARY PUBLIC OR OTHER OFFICIAL

STATE OF MINNESOTA
COUNTY OF Crow Wing }
ss.

This instrument was acknowledged before me on the 11 day of August, 2006,
by James E. Wallin and Daniel J. Vogt, the Mayor and City Administrator
respectively, on behalf of the City of Brainerd, a municipal corporation
Date



Theresa A. Goble
SIGNATURE OF NOTARY PUBLIC OR OTHER OFFICIAL

Check here if part or all of the land is Registered (Torrens) ☐
Tax Statements for the real property described in this instrument should be sent to:
(include name and address)

MICHAEL P. PERRY
100 First Street Southeast
Little Falls, Minnesota 56345

City of Brainerd
501 Laurel Street
Brainerd, Minnesota 56401
(EXEMPT)

FAILURE TO RECORD THIS CONTRACT FOR DEED MAY GIVE OTHER PARTIES PRIORITY OVER
PURCHASERS' INTEREST IN THE PROPERTY.

20. ADDITIONAL TERMS.

A. If the City of Brainerd sells any lot(s), Sellers agree to convey said lot(s) to the City of Brainerd so it can complete the sale. At the time the sixth and successive lots are sold in any calendar year and conveyed to the City of Brainerd, an additional sum of \$9,000 on said lot shall be paid to apply on the contract for deed, beginning with the last payment in inverse order.

Schedule "A" Legal Description

That part of the Southwest Quarter of the Northwest Quarter (SW1/4-NW1/4), Section 6, Township 44, Range 30, Crow Wing County, Minnesota, described as follows: Beginning at the West Quarter corner of said Section 6, thence South 87 degrees 42 minutes 14 seconds East, bearing based on the Crow Wing County Coordinate Database NAD 83/94, 312.27 feet along the south line of said SW1/4-NW1/4 to the east line of the West 312.00 feet of said SW1/4-NW1/4; thence North 00 degrees 05 minutes 45 seconds West 278.24 feet along said east line of the West 312.00 feet of the SW1/4-NW1/4 to the north line of the South 278.00 feet of said SW1/4-NW1/4; thence North 87 degrees 42 minutes 14 seconds West 312.27 feet along said north line of the South 278.00 feet of the SW1/4-NW1/4 to the west line of said SW1/4-NW1/4; thence South 00 degrees 05 minutes 45 seconds East 278.24 feet along said west line of the SW1/4-NW1/4 to the point of beginning. Subject to the right of way of County State Aid Highway No. 45 (C.S.A.H. No. 45). Subject to other easements, reservations or restrictions of record, if any.

THIS ADDENDUM TO CONTRACT FOR DEED is attached to and made a part of a certain Contract for Deed dated August 11, 2006 between Harold A. Thiesse and Alvina M. Thiesse, his wife, and City of Brainerd, a municipal corporation, Seller's _____, Purchaser.

The terms and conditions contained in the Addendum shall supersede any conflicting provisions contained in this Contract. Only those provisions checked in the "Yes" column below shall be included in and be a part of this Addendum.

Yes No

☐ **XX** A. LATE PAYMENT FEE. If any payment is not received by Seller within fifteen (15) days of the date when due, Purchaser shall additionally pay to Seller, to the extent allowed by law, a late charge of four percent (4%) of the amount of the delinquent payment.

☐ **XX** B. TRANSFER RESTRICTIONS. Purchaser may not sell, assign or otherwise transfer Purchaser's interest in this Contract, or the Property, or any part thereof or if Purchaser is an entity, the controlling interest in Purchaser may not be transferred without the written consent of Seller, ☐ which consent shall be granted or withheld in the sole discretion of Seller ☐ which consent shall not be unreasonably withheld or delayed by Seller (check one).

☐ **XX** C. ESCROWS. In addition to the monthly payments of principal and interest, Purchaser shall deposit with Seller, with each payment, an amount representing one-twelfth (1/12) of the annual real estate taxes, installments of special assessments and insurance premiums with respect to the Property (or such other amount as Seller is required to deposit under any underlying encumbrance on the Property). The amount of such taxes, special assessments and estate taxes, installments of special assessments and insurance premiums with respect to the Property when due. If Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts and deduct the amounts so paid from payments next coming due under this Contract. If the balance deposited with Seller is insufficient to pay such real estate taxes, special assessments and insurance premiums when due, Purchaser shall pay the deficiency to Seller upon written demand.

☐ **XX** D. PROPERTY IMPROVEMENTS. Except for work reasonably necessary to permit Purchaser to comply with Purchaser's obligations under this Contract, Purchaser shall not hire or perform any repairs or improvements to or replacements of the Property having an aggregate cost in excess of \$ _____, without securing the prior written consent of Seller. Purchaser will not cause or permit any mechanics' liens to be recorded against the Property. Purchaser agrees to defend, indemnify and hold Seller harmless from any loss, damage or expense incurred by Seller with respect to any party asserting a mechanics' lien claim, it being understood and agreed that this undertaking shall survive cancellation of this Contract or the delivery of a deed pursuant to the terms hereof.

☐ **XX** E. HAZARDOUS SUBSTANCES. Purchaser shall not bring, store, generate or treat hazardous wastes or substances or petroleum products upon the Property, except for small quantities which are stored and used in compliance with applicable law. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any and all claims, demands, actions, causes of action, liabilities or rights which may be asserted against Seller with respect to such substances, or products, it being understood and agreed that this obligation will survive the cancellation of this Contract or the delivery of a deed pursuant to the terms hereof.

☐ **XX** F. ALTERNATIVE ACCELERATION REMEDY. If Purchaser fails to timely perform any term of this Contract, Seller may elect, on thirty (30) days' written notice given to Purchaser, to declare the entire unpaid Purchase Price, together with accrued interest thereon, immediately due and payable in full and commence an action against Purchaser to collect all amounts due hereunder. Purchaser shall have the right to reinstate this Contract at any time before entry of final judgment against Purchaser for amounts due hereunder if Purchaser: (i) pays Seller all sums due hereunder as of the date of reinstatement; (ii) cures any other defaults existing under this Contract as of the date of reinstatement; and (iii) pays all expenses incurred by Seller in enforcing this Contract, including, but not limited to, reasonable attorneys' fees and costs. Seller shall deliver the deed for the Property in the manner required by Paragraph 3 of this Contract when all amounts due hereunder have been paid.

☐ **XX** G. NONRECOURSE OBLIGATION. Notwithstanding any other provision contained in this Contract to the contrary, if Purchaser defaults in Purchaser's performance of this Contract, Seller's sole remedy shall be to cancel this Contract in accordance with Minnesota Statutes Section 559.21, as the same may from time to time be amended. Seller specifically waives any right it may have to commence an action for the specific performance of this Contract for Deed or any right it may have to seek an award of damages against Purchaser.

☒ **XX** ☐ H. ADDITIONAL PROVISIONS. By mutual agreement of the parties, the down payment due to Sellers at the time of execution of the Contract for Deed shall be reduced by \$2,500.00. This is Sellers' share of the cost of the Boundary and Wetland Delineation. The resulting amount to be paid by the Buyer for the down payment will be \$136,700.00. All other terms of the Contract for Deed shall remain unchanged. **THIS FORM CANNOT BE RECORDED INDEPENDENTLY. IT MUST BE ATTACHED TO A CONTRACT FOR DEED.**

CURRENT TAX CERTIFICATION

() REQUIRED (✓) NOT REQUIRED
 CERTIFICATE OF REAL ESTATE VALUE
 (✓) FILED 7/8/06 () NOT REQUIRED
 NO DEQUENT TAXES TRANSFER ENTERED

DATE August 15, 2006
 CROW WING COUNTY AUDITOR
 TRANSFER # 20060714, 7795
 RE CODE 150063500400009
 150063400000009

Office of County Recorder
 County of Crow Wing, MN }

I hereby certify that the within instrument was filed
 in this office for record on the 15 day of Aug
 A 0806 at 10 o'clock M.
 and was duly recorded as Doc. No. 0714639

By Vicki Stange County Recorder
 Deputy

RETURN TO

MLDocs 54-M--Contract For Deed

(Top 3 inches Reserved for Recording Data)

Miller/Davis Co., © St. Paul, MN 651-642-1988
 Minnesota Uniform Conveyancing Blanks (2000)

Date: 7 August 2006

THIS CONTRACT FOR DEED ("the Contract") is made on the above date by Harold A. Thiesse and Alvina M. Thiesse, his wife
 Seller (whether one or more), and City of Brainerd, a municipal corporation,

Purchaser (whether one or more) (check box ☐ if joint tenancy).
 Seller and Purchaser agree to the following terms:

1. PROPERTY DESCRIPTION. Seller hereby sells, and Purchaser hereby buys, real property in Crow Wing County, Minnesota, described as follows:

South half of Northwest quarter (S1/2 NW1/4) of Section Six (6), Township Forty-four (44), Range Thirty (30) less that part thereof described on Schedule A attached to and made a part hereof,

together with all hereditaments and appurtenances belonging thereto ("the Property"). Unless otherwise specified, Seller hereby delivers possession of the Property to Purchaser on the date hereof.
 Seller check applicable box:

- ✓ The Seller certifies that the seller does not know of any wells on the described real property.
 A well disclosure certificate accompanies this document.
 I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.
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- (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
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 Existing public roads.

WELL CERTIFICATE
 RECEIVED () NOT REQUIRED ✓

3. DELIVERY OF DEED AND EVIDENCE OF TITLE. Upon Purchaser's full performance of this Contract, Seller shall:

- (a) Execute, acknowledge and deliver to Purchaser a Deed, in recordable form, conveying marketable title to the Property to Purchaser, subject only to the following exceptions:
 - (i) Those exceptions referred to in paragraph 2(a), (b), (c), (d) and (e) of this Contract;
 - (ii) Liens, encumbrances, adverse claims or other matters which Purchaser has created, suffered or permitted to accrue after the date of this Contract; and
 - (iii) The following liens or encumbrances:
 None.

(b) Deliver to Purchaser the abstract of title to the Property, without further extension, to the extent required by the purchase agreement (if any) between Seller and Purchaser.

\$46
 City wk.

4. PURCHASE PRICE. Purchaser shall pay to Seller, at their order,

the sum of Six Hundred Ninety-six Thousand and no/100 ----- DOLLARS
(\$696,000.00), as and for the purchase price (the "Purchase Price") for the Property, payable as follows:
\$139,200 at the time of the making of this contract, the receipt and sufficiency of which is hereby acknowledged,
and the balance of \$556,800 payable in five equal annual installments of \$128,606.77 each payable on the 7th day
of August of each year, beginning with \$128,606.77 on 7 August 2007, with interest on the unpaid balances of the
purchase price remaining from time to time at 5% a year, said annual installments to apply first to interest and the
balance to the purchase price.

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Purchaser shall pay, before penalty accrues, all real estate taxes and installments of special assessments assessed against the Property which are due and payable in all subsequent years. Seller warrants that the real estate taxes and installments of special assessments which were due and payable in the year preceding the year in which this Contract is dated are paid in full. If the Property is subject to a recorded declaration providing the assessments to be levied against the Property by any owners' association, Purchaser shall promptly pay, when due, all assessments imposed by the owners' association or other governing body as required by the provisions of the declaration or other related documents.

7. PROPERTY INSURANCE.

(a) INSURED RISKS AND AMOUNTS. Purchaser shall keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, lightning and such other perils as are included in a standard "all-risk" endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the buildings, improvements and fixtures, without deduction for physical depreciation. If any of the buildings, improvements or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Purchaser shall procure and maintain flood insurance in amounts reasonably satisfactory to Seller.

(b) OTHER TERMS. The insurance policy shall contain a loss payable clause in favor of Seller which provides that Seller's right to recover under the insurance shall not be impaired by any acts or omissions of Purchaser or Seller, and that Seller shall otherwise be afforded all rights and privileges customarily provided a mortgagee under the so-called standard mortgage clause.

(c) NOTICE OF DAMAGE. In the event of damage to the Property by fire or other casualty, Purchaser shall promptly give notice of such damage to Seller and the insurance company.

8. DAMAGE TO THE PROPERTY

(a) APPLICATION OF INSURANCE PROCEEDS. If the Property is damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid, unless Purchaser makes a permitted election described in the next paragraph. Such amounts shall be first applied to unpaid accrued interest and next to the installments to be paid as provided in this Contract in the inverse order of their maturity. Such payment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance of insurance proceeds, if any, shall be the property of Purchaser.

(b) PURCHASER'S ELECTION TO REBUILD. If Purchaser is not in default under this Contract, or after curing any such default, and if the mortgagees in any prior mortgages and sellers in any prior contracts for deed do not require otherwise, Purchaser may elect to have that portion of such insurance proceeds necessary to repair, replace or restore the damaged Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as may be mutually agreeable to Seller and Purchaser. The election may only be made by written notice to Seller within sixty days after the damage occurs. Also, the election will only be permitted if the plans and specifications and contracts for the Repairs are approved by Seller, which approval Seller shall not unreasonably withhold or delay. If such a permitted election is made by Purchaser, Seller and Purchaser shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are insufficient for the Repairs, Purchaser shall, before the commencement of the Repairs, deposit into such escrow or are insufficient to pay the cost of the Repairs, Purchaser shall at all times be responsible to pay the full cost of the construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Purchaser into such escrow before the commencement of the Repairs. Purchaser shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be

completed by Purchaser within one year after the damage occurs. If, following the completion of and payment for the repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts payable by Purchaser under this Contract in accordance with paragraph 8 (a) above.

(c) OWNERS' ASSOCIATION. If the property is subject to a recorded declaration, so long as the owners' association maintains a master or blanket policy of insurance against fire, extended coverage perils and such other hazards and in such amount as are required by this Contract, then (i) Purchaser's obligation in this Contract to maintain hazard insurance coverage on the Property is satisfied; (ii) the provisions of paragraph 8(a) of this Contract regarding application of insurance proceeds shall be superseded by the provisions of the declaration or other related documents; and (iii) in the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured casualty loss to the Property, any such proceeds payable to Purchaser are hereby assigned and shall be paid to Seller for application to the sum secured by this Contract, with the excess, if any, paid to Purchaser.

9. INJURY OR DAMAGE OCCURRING ON THE PROPERTY.

(a) LIABILITY. Seller shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this Contract to any person or persons or property while on or about the Property. Purchaser shall defend and indemnify Seller from all liability, loss, cost and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Purchaser shall have no liability or obligation to Seller for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Seller.

(b) LIABILITY INSURANCE. Purchaser shall, at Purchaser's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Seller and naming Seller as an additional insured.

10. INSURANCE GENERALLY. The insurance which Purchaser is required to procure and maintain pursuant to paragraphs 7 and 9 of this Contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Seller. The insurance shall be maintained by Purchaser at all times while any amount remains unpaid under this Contract. The insurance policies shall provide for not less than ten days written notice to Seller before cancellation, non-renewal, termination or change in coverage, and Purchaser shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

11. CONDEMNATION. If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid. Such amounts shall be applied in the same manner as a prepayment, as provided in paragraph 5 of this Contract. Such payment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance, if any, shall be the property of Purchaser.

12. WASTE, REPAIR AND LIENS. Purchaser shall not remove or demolish any buildings, improvements or fixtures now or later located on or a part of the Property, nor shall Purchaser commit or allow waste of the Property. Purchaser shall maintain the Property in good condition and repair. Purchaser shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchaser shall pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any such liens or adverse claims.

13. COMPLIANCE WITH LAWS. Except for matters which Seller has created, suffered or permitted to exist prior to the date of this Contract, Purchaser shall comply or cause compliance with all laws and regulations of any governmental authority which affect the Property or the manner of using or operating the same, and with all restrictive covenants, if any, affecting title to the Property or the use thereof.

14. RECORDING OF CONTRACT; DEED TAX. Purchaser shall, at Purchaser's expense, record this Contract in the office of the county recorder or registrar of titles in the county in which the Property is located within four (4) months after the date hereof. Purchaser shall pay any penalty imposed under Minnesota Statutes Section 507.235 for failure to timely record the Contract. Seller shall, upon Purchaser's full performance of this Contract, pay the deed tax due upon the recording of the deed to be delivered by Seller.

15. NOTICE OF ASSIGNMENT. If either Seller or Purchaser assigns their interest in the Property, the assigning party shall promptly furnish a copy of such assignment to the non-assigning party.

16. PROTECTION OF INTERESTS. If Purchaser fails to pay any sum of money required under the terms of this Contract same or fails to perform any of Purchaser's obligations as set forth in this Contract, Seller may, at Seller's option, pay the shall be payable at once, with interest at the rate stated in paragraph 4 of this Contract, as an additional amount due Seller under this Contract. If there now exists, or if Seller hereafter creates, suffers or permits to accrue, any mortgage, contract for deed, lien or encumbrance against the Property which is not herein expressly assumed by Purchaser, provided Purchaser is not in default under this Contract, Seller shall timely pay all amounts due thereon, and if Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts or take any actions reasonably necessary to cure defaults thereunder and deduct the amounts so paid together with interest at the rate provided in this Contract from the payments next coming due under this Contract.

17. DEFAULT AND REMEDIES. The time of performance by Purchaser of the terms of this Contract is an essential part of this Contract. If Purchaser fails to timely perform any term of this Contract, Seller may, at Seller's option, elect to declare this Contract cancelled and terminated by notice to Purchaser in accordance with applicable law or elect any other remedy available at law or in equity. If Seller elects to terminate this Contract, all right, title and interest acquired under this Contract by Purchaser shall then cease and terminate, and all improvements made upon the Property and all

payments made by Purchaser pursuant to this Contract (including escrow payments, if any) shall belong to Seller as liquidated damages for breach of this Contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this Contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this Contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within the period allowed by law, Purchaser shall, upon demand, surrender possession of the Property to Seller, but Purchaser shall be entitled to possession of the Property until the expiration of such period. Failure by Seller to exercise one or more remedies available under this paragraph 17 shall not constitute a waiver of the right to exercise such remedy or remedies thereafter.

18. **BINDING EFFECT.** The terms of this Contract shall run with the land and bind the parties hereto and their successors in interest.

19. **HEADINGS.** Headings of the paragraphs of this contract are for convenience only and do not define, limit or construe the contents of such paragraphs.

20. **ADDITIONAL TERMS:** Check here ☒ if an Addendum to Contract for Deed containing additional terms and conditions is attached hereto:

SELLER(S)

Harold A. Thiesse
Harold A. Thiesse
Alvina M. Thiesse
Alvina M. Thiesse

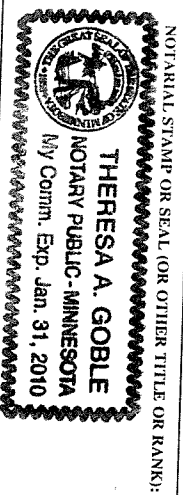
PURCHASER(S)

STATE OF MINNESOTA
COUNTY OF Crow Wing } ss.

CITY OF BRAINERD
By James E. Wallin
Its JAMES E. WALLIN, MAYOR
and Daniel J. Noget
Its DANIEL J. NOGET, CITY ADMINISTRATOR

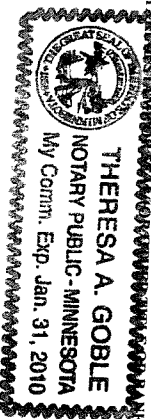
This instrument was acknowledged before me on the 11 day of August, 2006,
by Harold A. Thiesse and Alvina M. Thiesse, his wife
Date

Theresa A. Goble
SIGNATURE OF NOTARY PUBLIC OR OTHER OFFICIAL



STATE OF MINNESOTA
COUNTY OF Crow Wing } ss.

This instrument was acknowledged before me on the 11 day of August, 2006,
by James E. Wallin and Daniel J. Noget, the Mayor and City Administrator
respectively, on behalf of the City of Brainerd, a municipal corporation



Theresa A. Goble
SIGNATURE OF NOTARY PUBLIC OR OTHER OFFICIAL

Check here if part or all of the land is Registered (Torrens) ☐
Tax Statements for the real property described in this instrument should be sent to:
(include name and address)

MICHAEL P. PERRY
100 First Street Southeast
Little Falls, Minnesota 56345

City of Brainerd
501 Laurel Street
Brainerd, Minnesota 56401 (EXEMPT)

FAILURE TO RECORD THIS CONTRACT FOR DEED MAY GIVE OTHER PARTIES PRIORITY OVER
PURCHASERS' INTEREST IN THE PROPERTY.

20. ADDITIONAL TERMS.

A. If the City of Brainerd sells any lot(s), Sellers agree to convey said lot(s) to the City of Brainerd so it can complete the sale. At the time the sixth and successive lots are sold in any calendar year and conveyed to the City of Brainerd, an additional sum of \$9,000 on said lot shall be paid to apply on the contract for deed, beginning with the last payment in inverse order.

Schedule "A" Legal Description

That part of the Southwest Quarter of the Northwest Quarter (SW1/4-NW1/4), Section 6, Township 44, Range 30, Crow Wing County, Minnesota, described as follows: Beginning at the West Quarter corner of said Section 6, thence South 87 degrees 42 minutes 14 seconds East, bearing based on the Crow Wing County Coordinate Database NAD 83/94, 312.27 feet along the south line of said SW1/4-NW1/4 to the east line of the West 312.00 feet of said SW1/4-NW1/4; thence North 00 degrees 05 minutes 45 seconds West 278.24 feet along said east line of the West 312.00 feet of the SW1/4-NW1/4 to the north line of the South 278.00 feet of said SW1/4-NW1/4; thence North 87 degrees 42 minutes 14 seconds West 312.27 feet along said north line of the South 278.00 feet of the SW1/4-NW1/4 to the west line of said SW1/4-NW1/4; thence South 00 degrees 05 minutes 45 seconds East 278.24 feet along said west line of the SW1/4-NW1/4 to the point of beginning. Subject to the right of way of County State Aid Highway No. 45 (C.S.A.H. No. 45). Subject to other easements, reservations or restrictions of record, if any.

THIS ADDENDUM TO CONTRACT FOR DEED is attached to and made a part of a certain Contract for Deed dated August 11, 2006, between Harold A. Thiesse and Alvina M. Thiesse, his wife, _____, Seller, and _____, Seller's _____, Purchaser.

The terms and conditions contained in the Addendum shall supersede any conflicting provisions contained in this Contract. Only those provisions checked in the "Yes" column below shall be included in and be a part of this Addendum.

Yes No
☐ ☒

A. LATE PAYMENT FEE. If any payment is not received by Seller within fifteen (15) days of the date when due, Purchaser shall additionally pay to Seller, to the extent allowed by law, a late charge of four percent (4%) of the amount of the delinquent payment.

☐ ☒

B. TRANSFER RESTRICTIONS. Purchaser may not sell, assign or otherwise transfer Purchaser's interest in this Contract, or the Property, or any part thereof or if Purchaser is an entity, the controlling interest in Purchaser may not be transferred without the written consent of Seller. ☐ which consent shall be granted or withheld in the sole discretion of Seller ☐ which consent shall not be unreasonably withheld or delayed by Seller (check one).

☐ ☒

C. ESCROWS. In addition to the monthly payments of principal and interest, Purchaser shall deposit with Seller, with each payment, an amount representing one-twelfth (1/12) of the annual real estate taxes, installments of special assessments and insurance premiums with respect to the Property (or such other amount as Seller is required to deposit under any underlying encumbrance on the Property). The amount of such taxes, special assessments and estate taxes, installments of special assessments and insurance premiums with respect to the Property shall be used by Seller to pay real estate taxes, installments of special assessments and insurance premiums with respect to the Property when due. If Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts and deduct the amounts so paid from payments next coming due under this Contract. If the balance deposited with Seller is insufficient to pay such real estate taxes, special assessments and insurance premiums when due, Purchaser shall pay the deficiency to Seller upon written demand.

☐ ☒

D. PROPERTY IMPROVEMENTS. Except for work reasonably necessary to permit Purchaser to comply with Purchaser's obligations under this Contract, Purchaser shall not hire or perform any repairs or improvements to or replacements of the Property having an aggregate cost in excess of \$ _____, without securing the prior written consent of Seller. Purchaser will not cause or permit any mechanics' liens to be recorded against the Property. Purchaser agrees to defend, indemnify and hold Seller harmless from any loss, damage or expense incurred by Seller with respect to any party asserting a mechanics' lien claim, it being understood and agreed that this undertaking shall survive cancellation of this Contract or the delivery of a deed pursuant to the terms hereof.

☐ ☒

E. HAZARDOUS SUBSTANCES. Purchaser shall not bring, store, generate or treat hazardous wastes or substances or petroleum products upon the Property, except for small quantities which are stored and used in compliance with applicable law. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any and all claims, demands, actions, causes of action, liabilities or rights which may be asserted against Seller with respect to such substances, or products, it being understood and agreed that this obligation will survive the cancellation of this Contract or the delivery of a deed pursuant to the terms hereof.

☐ ☒

F. ALTERNATIVE ACCELERATION REMEDY. If Purchaser fails to timely perform any term of this Contract, Seller may elect, on thirty (30) days' written notice given to Purchaser, to declare the entire unpaid Purchase Price, together with accrued interest thereon, immediately due and payable in full and commence an action against Purchaser to collect all amounts due hereunder. Purchaser shall have the right to reinstate this Contract at any time before entry of final judgment against Purchaser for amounts due hereunder if Purchaser: (i) pays Seller all sums due hereunder as of the date of reinstatement; (ii) cures any other defaults existing under this Contract as of the date of reinstatement; and (iii) pays all expenses incurred by Seller in enforcing this Contract, including, but not limited to, reasonable attorneys' fees and costs. Seller shall deliver the deed for the Property in the manner required by Paragraph 3 of this Contract when all amounts due hereunder have been paid.

☐ ☒

G. NONRECOURSE OBLIGATION. Notwithstanding any other provision contained in this Contract to the contrary, if in accordance with Minnesota Statutes Section 559.21, as the same may from time to time be amended, Seller specifically waives any right it may have to commence an action for the specific performance of this Contract for Deed or any right it may have to seek an award of damages against Purchaser.

☒ ☐

H. ADDITIONAL PROVISIONS. By mutual agreement of the parties, the down payment due to Sellers at the time of execution of the Contract for Deed shall be reduced by \$2,500.00. This is Sellers' share of the cost of the Boundary and Wetland Delineation. The resulting amount to be paid by the Buyer for the down payment will be \$136,700.00. All other terms of the Contract for Deed shall remain unchanged. THIS FORM CANNOT BE RECORDED INDEPENDENTLY. IT MUST BE ATTACHED TO A CONTRACT FOR DEED.